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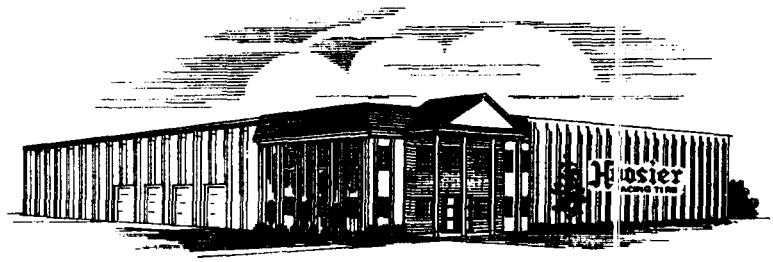
Hoosier®
RACING TIRE



65465 U.S. 31 • LAKEVILLE, INDIANA 46536 • (574) 784-3152 • FAX (574) 784-2385 • WEBSITE: www.hoosiertire com

May 17, 2002

To: **National Highway Transportation Safety Administration (NHTSA)**
Docket Management
Room PL-401
400 Seventh Street, S.W.
Washington, DC 20590

Subject: **Notice of Proposed Rulemaking on Federal Motor Vehicle Standards**
Docket No. NHTSA-00-8011 —

Hoosier Racing Tire Corp. respectfully submits the attached comments concerning Docket No. NHTSA-00-8011.

Please consider our comments concerning the potential devastating economic impact of the repeal of FMVSS 109 and the implementation of the proposed FMVSS 139 and FMVSS 119 on small specialty tire manufacturers.

Included in the comments is our recommendation that FMVSS 109 be maintained and FMVSS 119 be modified. Suggested wording changes for Standards 109 and 119 are included.

Thank you for your consideration of our views.

Sincerely,

Robert L. Newton

Robert L. Newton
President/CEO

Attachment: Hoosier Racing Tire Corp.'s comments on NPRM Docket No. NHTSA-00-8011.

Hoosier Racing Tire Corp.

Comments on Notice of Proposed Rulemaking
Docket No. NHTSA-00-8011

National Highway Traffic Safety Administration
U. S. Department of Transportation

May 17, 2002

INTRODUCTION

Hoosier Tire is a small business manufacturer of new pneumatic tires for specialty vehicle markets. These new tire products are marketed under the Hoosier Tire label for a variety of small niche markets, including those who participate in the hobby of owning antique cars, classic automobiles and restored cars and other special cars known as street rods or custom vehicles. Hoosier does not manufacture passenger vehicle tires for the mass market.

MARKET DEFINITION

Hoosier's specialty tires are marketed and sold by and through thousands of outlets to tens of thousands of enthusiasts who actively restore their vehicles and/or participate in custom car clubs. Most of these vehicles have street legal (DOT-approved) tires but typically, they are driven relatively few miles each year to attend car club events or car shows or special events such as parades.

SAFETY

This niche industry utilizes specialty tires that are manufactured and tested to meet current Federal Motor Vehicle Standards (FMVSS 109 and 119). These specialty tires generally have limited production runs of less than 200 tires each and have an annual production per size and design that does not exceed 15,000 units. The safety record for specialty tires has been and continues to be exemplary. We are unaware of any quantifiable evidence that a problem exists with either the safety performance of these specialty tires or that the regulatory procedures overseeing the development, testing and manufacturing processes of these tires is inadequate. This contrasts with the recently publicized experience for certain mass-marketed passenger tires that inspired the call for new testing and reporting standards, such as the proposed FMVSS 139 to replace FMVSS 109 and the proposed modification to FMVSS 119.

SMALL BUSINESSES

We should point out that NHTSA is mistaken in its comment on p. 10074 of Federal Register Vol. 67, No. 43, NPRM Docket No. NHTSA-00-8011 that "the agency does not believe that any of the tire manufacturers are small businesses." Hoosier of Lakeville, Indiana is a small business. Hoosier employs less than 1,000 people. There are other small specialty tire manufacturers, such as Specialty Tires of America located in Indiana, Pennsylvania and Denman Tire of Leavittsburg, Ohio, who employ less than 1,000 people each.

PROBLEM FOR THE SPECIALTY TIRE INDUSTRY

The testing requirements in the proposed FMVSS 139 and in the proposed modification to FMVSS 119, if applied to every tire manufacturer without due consideration of the manufacturer's size, annual specialty tire production and market served, will place an unnecessary testing burden on and deal a devastating economic blow to the specialty tire industry.

From an industry point of view, this will negatively affect tens of thousands of American consumers and ultimately result in the unnecessary loss of tens of millions of dollars in annual sales and the loss of thousands of U.S. jobs.

RECOMMENDED SOLUTION

WE PROPOSE RELIEF IN THE FOLLOWING MANNER: MAINTAIN THE EXISTING FMVSS 109 FOR TIRES WITH ANNUAL PRODUCTION PER SIZE AND DESIGN THAT DOES NOT EXCEED 15,000. AND, MODIFY THE PROPOSED CHANGES TO FMVSS 119 BY MAINTAINING THE EXISTING FMVSS 119 TESTING STANDARD FOR TIRES WITH ANNUAL PRODUCTION PER SIZE AND DESIGN THAT DOES NOT EXCEED 15,000 FOR USE ON LIGHT TRUCKS.

THE IMPACT

General

Hoosier acknowledges the need for increased reporting requirements and enhanced tire performance requirements for the 287 million mass-produced and mass-marketed light vehicle tires intended for public roadway use. Hoosier supports all current Federal Motor Vehicle Safety Standards. However Hoosier believes the proposed changes as outlined in NPRM Docket NHTSA 00-8011 related to the new FMVSS 139 and the modified FMVSS 119 will have a devastating negative impact on Hoosier's ability to continue its business in the specialty DOT-approved tire market.

Hoosier manufactures both bias-ply and radial tires that are tested under FMVSS 109 and 119. We manufacture about 150 unique sizes and designs. The annual production of each size and design does not exceed 15,000.

First, it is clear that bias-ply tires will not be able to pass the proposed FMVSS 139 standards due to the heat build-up inherent in the bias-ply design. Thus, FMVSS 139, as proposed, will eliminate all bias-ply DOT-approved tire production. Consumers, such as the thousands of automobile hobbyists, will unnecessarily be deprived of a perfectly safe and less costly bias-ply alternative to the more expensive radial tires that will be required to be tested and sold under the unnecessarily strict demands of FMVSS 139.

Second, specialty radial tires will become infinitely more expensive and cost-prohibitive for those same consumers if the radial tires for their hobby cars must conform to the testing standards in the proposed FMVSS 139 or the modified FMVSS 119. Thus, production of these specialty radial tires will also cease because it will cost too much to produce and test them under the proposed standards. Again, thousands of consumers will be deprived of safe, reasonably-priced tires and the specialty tire manufacturers will be faced with the loss of production of a niche tire line and will suffer a devastating economic blow.

Thus, without a modification to the proposed rule changes, serious damage will be done to consumers, manufacturers, distributors and retailers of specialty tires. In the case of consumers, there would naturally be a pronounced shift away from the timely replacement of safe specialty tires designed for their particular application on the hobbyists' cars. In the case of manufacturers, distributors and specialty tire retailers, lost sales would certainly result in lay-offs, including employees with the greatest knowledge in researching and developing safe specialty tires, which also results in reduced safety performance over time.

Economic

As mentioned above, the testing requirements in the proposed FMVSS 139 and in the proposed modification to FMVSS 119, if applied blindly to every tire manufacturer without due consideration of the manufacturer's size, annual specialty tire production and the market served, will place a totally unnecessary testing, production and financial burden on the specialty tire industry and their customers. This adverse impact will affect tens of thousands of specialty vehicle owners, small business distributors, dealers and retailers, and a host of other ancillary and supporting industries.

To meet the new standards, which are essentially directed at the major passenger tire manufacturers, small specialty manufacturers' costs would increase dramatically. Correspondingly, the cost of the average specialty tire would likely double to the consumer. This likely dramatic increase in the marketplace price per specialty tire will result in specialty tire consumers either not replacing used tires as frequently, or not replacing them at all. Other, less costly but also less appropriate tires will be substituted. This may result, ironically, in decreased safety. Moreover, it would spell disaster for the specialty tire industry because production of an entire line of specialty tires would have to cease.

Hoosier's 150 unique tire sizes and designs are produced in runs of less than 200 tires each with annual production of each size and design not exceeding 15,000. These tires are already tested under FMVSS 109 and 119 with existing procedures and equipment.

The specialty tire industry has an outstanding, unchallenged safety record. That record alone calls into question the need for any change in the present set of standards.

Under the proposed new (FMVSS 139) and modified (FMVSS 119) testing standards, Hoosier estimates that these standards will add hundreds of thousands of dollars of additional expenses to its total costs. **For the industry, that total is estimated to be in the millions of dollars.** Those expenses will include, but not necessarily be limited to, the following: the costs of the actual physical testing on special equipment; the costs of the people to conduct the tests; the costs to create and/or modify drawings and molds; the costs of additional materials for the tires themselves; the costs of re-engineering the overall tire line; and, the re-design costs that may be needed to change the tire construction or composition. These total additional and continuing costs to conduct the performance tests under the proposed FMVSS 139 and modified FMVSS 119 **would make the continued production of these niche, DOT-approved, tire products economically unfeasible. Consequently, the production of DOT-approved specialty tires would cease.**

From an industry point of view, this will negatively affect tens of thousands of American consumers and ultimately result in the unnecessary loss of tens of millions of dollars in annual sales and the loss of thousands of U.S. jobs.

APPLICABILITY CONSIDERATIONS

It should be noted that NHTSA already recognizes that tires manufactured in limited production runs of 15,000 annual units per size and design warrant special policies. Those policies are reflected in the Uniform Tire Quality Grading System (UTQGS) under 49 C.F.R. 575.104 (c)(2) and under the Notice of Proposed Rule Making, Reporting of Information and Documents about Potential Defects - Docket No. NHTSA 2001-8677-Notice 2. These policies are certainly reasonable for consumers, manufacturers and distributors of specialty tires and result in maintenance of the necessary safety performance requirements for tires of limited production runs.

It should also be noted that NHTSA, in this NPRM, **offers reasons as to why certain categories of tires are included under the proposed new standards while acknowledging reasons as to why certain other categories of tires are worthy of special consideration and/or exemption from being covered under the proposed FMVSS 139.** For instance, as a basis for including LT or light truck tires under the new FMVSS 139, this NPRM states **"LT tires are increasingly used in the same type of on-road service as P-metric (passenger) tires on light vehicles." Further, the NPRM states that "NHTSA is not proposing to require that FMVSS 139 apply to motorcycle tires because motorcycle tires are of a design and construction unlike the types of vehicle tires that would be subject to the proposed standard (e.g., tread, load carrying capacity) and motorcycle tires still often use inner tubes. Further, the agency is not currently aware of any safety problems associated with motorcycle tires."** Moreover, the NPRM further states "NHTSA is also not proposing to require that the new standard be applicable to tires beyond load range E, which are typically used on medium (10,001 to 26,000 lbs. GVWR) and heavy (greater than 26,001 lbs. GVWR) vehicles, and temporary spare tires, **for two reasons**." The first reason is because of the

deadline that has been imposed on NHTSA to complete this rule making by June 2002. **But, the second reason cited is that "the issues associated with upgrading performance standards on medium and heavy vehicles and temporary spare tires are different from the issues associated with upgrading performance standards for conventional tires on light vehicles."**

Thus, we respectfully submit that the limited production tires produced by the specialty tire industry are deserving of the same type of special consideration and exemption from the proposed requirements under FMVSS 139 and the modified FMVSS 119. The reasons are: first, the specialty tires that we are referring to all have limited, annual production not exceeding 15,000 per size and design; second, these specialty tires present different issues because they are not intended for constant on-road use in a mass-marketed, mass-produced light vehicle environment; and, third, there is absolutely no evidence or suggestion that there are any safety problems associated with these specialty tires.

SHEAROGRAPHY ANALYSIS

The value of shearography analysis as a tool to detect impending tread, belt or body ply separations that are not detectable through visual inspection has not been demonstrably proven. In our limited experimentation, we have been discouraged by the highly subjective nature of shearography analysis. One can safely state that every tire manufactured has some level of trapped air (anomalies) cured into the tire. While shearography analysis can determine the relative differences in the number and size of these anomalies, it cannot with certainty distinguish between an acceptable tire and one that is prone to failure. In short, the tool and its data are useful for some subjective assessments but it is too dependent on an operator's interpretation of the images to predict future tire failures with sufficient specificity to fulfill the requirement that a Federal Standard be stated in objective terms.

Shearography analysis appears to be an expensive analytical tool that provides subjective analysis. Moreover, shearography analysis by small tire manufacturers, at present, is economically unfeasible. It is difficult to justify the large capital expenditure to subjectively analyze the relatively small number of tires produced by the specialty tire industry. Thus, we are opposed to the use of shearography as a required tool for inspection analysis to determine failures after tire testing.

CONCLUSION

THE NATURAL CONCLUSION IS THAT THE EXEMPLARY SAFETY RECORD OF THE SPECIALTY TIRE INDUSTRY JUSTIFIES A CONTINUATION OF COMPLIANCE WITH EXISTING FEDERAL MOTOR VEHICLE SAFETY STANDARDS 109 AND 119. ANY REQUIREMENT FOR THE SPECIALTY TIRE MANUFACTURERS TO COMPLY WITH THE PROPOSED NEW STANDARDS WOULD PLACE AN UNNECESSARY TESTING BURDEN ON, AND DEAL A DEVASTATING ECONOMIC BLOW TO AN ALREADY SAFE INDUSTRY.

THE RECOMMENDED SOLUTION REPEATED

WE PROPOSE RELIEF IN THE FOLLOWING MANNER: MAINTAIN THE EXISTING FMVSS 109 FOR TIRES WITH ANNUAL PRODUCTION PER SIZE AND DESIGN THAT DOES NOT EXCEED 15,000. AND, MODIFY THE PROPOSED CHANGES TO FMVSS 119 MAINTAINING THE EXISTING FMVSS 119 TESTING STANDARD FOR TIRES WITH ANNUAL PRODUCTION PER SIZE AND DESIGN THAT DOES NOT EXCEED 15,000 FOR USE ON LIGHT TRUCKS.

Our proposed changes to FMVSS 109 and 119 are attached.

PROPOSED CHANGES TO LANGUAGE IN NOTICE OF PROPOSED RULEMAKING (NPRM) - Document No. NHTSA-00-8011

DO NOT REMOVE FMVSS 109 - INSTEAD MODIFY AS FOLLOWS:

§ 571.119 Standard No. 109; New pneumatic tires.

S2. Application. This standard applies to new pneumatic tires with an annual production per size and design that does not exceed 15,000 for use on passenger cars manufactured after 1948.

Note: The underlining indicates a modification to the current FMVSS 109.

PROPOSED CHANGES TO LANGUAGE IN NOTICE OF PROPOSED RULEMAKING (NPRM) - Document No. NHTSA-00-8011

MODIFY FMVSS 119

§ 571.119 Standard No. 119; New pneumatic tires for motor vehicles with a GVWR of more than 10,000 pounds.

S1. Scope. This standard establishes performance and marking requirements for tires for use on motor vehicles with a GVWR of more than 10,000 pounds and motorcycles and for tires with an annual production per size and design that does not exceed 15,000 for use on light trucks.

S2. Purpose. The purpose of this standard is to provide safe operational performance levels for tires used on motor vehicles with a GVWR of more than 10,000 pounds, trailers, and motorcycles, and for tires with an annual production per size and design that does not exceed 15,000 for use on light trucks and to place sufficient information on the tires to permit their proper selection and use.

S3. Application. This standard applies to new pneumatic tires designed for highway use on motor vehicles with a GVWR of more than 10,000 pounds, trailers, and motorcycles manufactured after 1948 and for new pneumatic tires with an annual production per size and design that does not exceed 15,000 for use on light trucks manufactured after 1948.

(A separate set of Tables labeled as being "applicable to new pneumatic tires with an annual production per size and design that does not exceed 15,000 for use on light trucks" would need to be included).

Note: The underlining indicates changes to the current proposal in this NPRM.

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